

AMENDED IN SENATE MARCH 28, 2006

SENATE BILL

No. 1329

Introduced by Senator Alquist

February 17, 2006

~~An act to add Section 33444.7 to the Health and Safety Code, relating to redevelopment. An act to add Chapter 19 (commencing with Section 50899) to Part 2 of Division 31 of the Health and Safety Code, relating to community development.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1329, as amended, Alquist. ~~Redevelopment: supermarkets.~~
Community development: healthy food choices.

Existing law charges the Department of Housing and Community Development with the administration of various programs that facilitate community development, including the Community Development Block Grant Program.

This bill would require the Department of Housing and Community Development, in partnership with the State Department of Health Services, to establish the "Healthy Food Retailing Initiative" to provide residents of underserved communities with retail markets that would offer healthy, high quality, and affordable food. The bill would require the department to provide grants or loans, should these funds become available, on a competitive basis for workforce development and training, land acquisition, construction, and rehabilitation of land improvements, access, equipment, and business plan costs.

~~The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities in order to address the effects of blight, as defined, in those communities and requires those agencies to prepare, or cause to be prepared, and approve a~~

redevelopment plan for each project area. Existing law authorizes an agency to establish a program under which it loans funds to owners or tenants for the purpose of rehabilitating commercial buildings or structures within the project area.

~~This bill would authorize an agency to establish a program to award planning grants and other financial incentives to large supermarket chains, independent grocers, small markets, and ethnic grocers to assist with predevelopment activities, feasibility studies, land and building acquisition, construction, machinery and equipment purchases, and working capital for the placement or enhancement of supermarkets in underserved sectors located within a project area.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 19 (commencing with Section 50899) is
2 added to Part 2 of Division 31 of the Health and Safety Code, to
3 read:

4
5 CHAPTER 19. ACCESS TO HEALTHY, AFFORDABLE FOOD
6 CHOICES ACT
7

8 50899. This chapter shall be known and may be cited as the
9 Access to Healthy, Affordable Food Choices Act.

10 50899.1. The Legislature hereby finds and declares all of the
11 following:

12 (a) Increasing access to retail food markets is an important
13 strategy for improving the nutritional health and economic
14 vitality of low-income communities.

15 (b) Community food assessments conducted in California have
16 demonstrated that residents of low-income communities often
17 have inadequate access to high quality, affordable healthy food.

18 (c) California has the second highest rate of overweight and
19 low-income children in the nation.

20 (d) According to the Centers for Disease Control and
21 Prevention, over 20 percent of California adults are overweight
22 compared to 1991 when less than 10 percent of California adults
23 were overweight.

1 (e) *The growing epidemic of overweight is due to poor diet*
2 *and physical inactivity, putting growing numbers of Californians*
3 *at risk for type 2 diabetes, hypertension, heart disease, and*
4 *cancer.*

5 (f) *Nutrition and physical inactivity-related diseases are the*
6 *second leading cause of preventable deaths in the United States.*
7 *These diseases account for 28 percent of preventable deaths each*
8 *year, which is more than AIDS, violence, car crashes, alcohol,*
9 *and drugs combined.*

10 (g) *Obesity costs California an estimated \$21.7 billion a year*
11 *in medical costs and lost productivity. Medical care costs*
12 *associated with obesity are greater than those associated with*
13 *both smoking and problem drinking.*

14 (h) *While individuals make choices about what they eat, these*
15 *choices are affected by the availability of food in their*
16 *environment.*

17 (i) *Retail grocery stores are important economic anchors in*
18 *communities, generating jobs, recycling money back into the*
19 *local economy, and creating opportunities for other small and*
20 *large businesses.*

21 (j) *Improving the availability, quality, and prices of food in*
22 *existing small stores can improve local economic development by*
23 *building upon existing community resources, and strengthening*
24 *relationships between local merchants and residents.*

25 (k) *Farmers' markets can help support farmers and serve as*
26 *small business incubators where local residents can sell products*
27 *such as baked goods or nonfood items.*

28 50899.2. *For purposes of this chapter, the following*
29 *definitions apply:*

30 (a) *"Department" means the Department of Housing and*
31 *Community Development.*

32 (b) *"Retail market" means a for-profit or not-for-profit*
33 *retailer that will increase access to healthy, high quality, and*
34 *affordable food including, but not limited to, projects to develop*
35 *or revitalize retail grocery stores or farmers' markets, to*
36 *improve or increase healthy food options stocked at existing*
37 *corner stores or small markets, or other innovations that meet*
38 *the intent of this section. A "retail market" is not a restaurant.*

39 (c) *"Underserved community" means the following:*

1 (1) *In metropolitan statistical areas, the median family income*
2 *is less than 80 percent of the area median family income.*

3 (2) *In nonmetropolitan statistical areas, the median family*
4 *income is less than 80 percent of the statewide median family*
5 *income.*

6 (3) *An area adjacent to a census tract that meets the income*
7 *criteria described in paragraph (1) or (2).*

8 50899.3. (a) *The department shall establish, in partnership*
9 *with the State Department of Health Services, the “Healthy Food*
10 *Retailing Initiative” for the purpose of providing residents of*
11 *underserved communities with retail markets that will offer*
12 *healthy, high quality, and affordable food. Should public or*
13 *private funds become available for this initiative, the department*
14 *shall provide grants or loans on a competitive basis for*
15 *workforce development and training, land acquisition,*
16 *construction, and rehabilitation of land improvements, access,*
17 *equipment, business plan development, feasibility studies,*
18 *technical assistance, and other startup costs, not including*
19 *operating costs. Feasibility studies shall be eligible for funding*
20 *only if there is evidence that the study will gather important new*
21 *information and is likely to result in a retail market project. The*
22 *departments shall provide technical assistance to grant or loan*
23 *recipients.*

24 (b) *An applicant for the initiative may be a for-profit business*
25 *enterprise, including, but not limited to, a corporation, limited*
26 *liability company, sole proprietor, cooperative or partnership, a*
27 *nonprofit organization, or governmental entity.*

28 (c) *To be eligible for a grant or loan under this chapter, an*
29 *applicant shall serve an underserved community in which the*
30 *proposed retail market project will improve, increase, or*
31 *preserve retail access to healthy, high quality, affordable food*
32 *for low-income residents of the community. Applicants shall*
33 *demonstrate that the community supports the proposed project,*
34 *that the project will have a positive economic impact on the*
35 *surrounding community, that the project is likely to be successful*
36 *and economically self-sustaining, and any other criteria as the*
37 *department may determine and that are consistent with the*
38 *purposes of this chapter.*

39 (d) *Applicants shall demonstrate that the retail market will, by*
40 *the conclusion of the funded project, primarily sell groceries,*

1 *produce, meat, baked goods, and dairy products to the widest*
2 *possible group of consumers. This subdivision does not apply to*
3 *farmers' markets.*

4 *(e) If an applicant accepts a grant or loan under this chapter*
5 *and fails to complete the proposed retail market project as*
6 *described in the application or meet any other requirements that*
7 *the department set prior to the application, the applicant shall*
8 *repay the grant or loan to the department. The department may*
9 *undertake any necessary means available under law for*
10 *recouping these grants and loans.*

11 *(f) It is the Legislature's intent that funds described in this*
12 *section be used to leverage other funding including, but not*
13 *limited to, New Markets Tax Credits, incentives available to*
14 *enterprise zones, and funding from financial institutions under*
15 *the federal Community Reinvestment Act (12 USCA, Section*
16 *2901).*

17 ~~SECTION 1. (a) The Legislature finds and declares as~~
18 ~~follows:~~

19 ~~(1) The state has the second highest rate of overweight and~~
20 ~~low-income children in the nation.~~

21 ~~(2) Obesity costs the state an estimated \$21.7 billion a year in~~
22 ~~medical costs and lost productivity. Medical care costs associated~~
23 ~~with obesity are greater than those associated with both smoking~~
24 ~~and problem drinking.~~

25 ~~(3) While individuals make choices about what they eat, these~~
26 ~~choices are affected by the availability of food in their~~
27 ~~environment.~~

28 ~~(4) Many studies indicate that low-income communities have~~
29 ~~fewer supermarkets than higher income communities.~~

30 ~~(5) Supermarkets offer a greater variety of healthy foods at a~~
31 ~~more affordable price than other types of food outlets.~~

32 ~~(6) Supermarkets are an important part of communities and~~
33 ~~generate jobs, put money back into the local economy, and~~
34 ~~encourage the establishment of other small and large businesses.~~

35 ~~(7) Increasing access to supermarkets is an important strategy~~
36 ~~for improving the nutritional health and economic vitality of~~
37 ~~low-income communities.~~

38 ~~(b) Therefore, it is the intent of the Legislature to allow~~
39 ~~redevelopment agencies to encourage the placement and~~
40 ~~enhancement of supermarkets in underserved areas by making~~

1 ~~planning grants and other financial incentives available to~~
2 ~~supermarkets.~~

3 ~~SEC. 2. Section 33444.7 is added to the Health and Safety~~
4 ~~Code, to read:~~

5 ~~33444.7. An agency may establish a program to award~~
6 ~~planning grants and other financial incentives to large~~
7 ~~supermarket chains, independent grocers, small markets, and~~
8 ~~ethnic grocers to assist with predevelopment activities, feasibility~~
9 ~~studies, land and building acquisition, construction, machinery~~
10 ~~and equipment purchases, and working capital for the placement~~
11 ~~or enhancement of supermarkets in underserved sectors located~~
12 ~~within a project area.~~